

CHANGES TO KPIC SMALL GROUP PPO AND OOA BENEFITS SINCE JUL-10

Effective Date	Benefit Changes	Mandated?	Rate Impact
Jul-10	Coverage of medically necessary dental or orthodontic services that are an integral part of reconstructive surgery for cleft palate procedures.	Yes (SB 630)	< 0.1%
Oct-10	Increase of limiting age for dependent children to age 26 regardless of student status.	Yes (ACA)	0.3%
Oct-10	No cost sharing for Preventive Care Services specified by ACA on the OOA plan and Participating Provider tier of PPO plans.	Yes (ACA)	1.0%
Oct-10	Maximum Benefit While Insured removed from the OOA plan and the Participating Provider tier of the PPO plans.	Yes (ACA)	0.1%
Oct-10	Annual dollar maximums for Routine Physical Examinations removed on the OOA plan and on the Participating Provider tier of the PPO plans.	Yes (ACA)	

KPIC SMALL GROUP PPO RATE INCREASE HISTORY

Plan ==>	PPO 40/1000 (launched in Jan-08)		PPO 40/2500 w/HSA (launched in Jul-08)		KPCS PPO 20/500 (30/500) (launched in Jun-06)		KPCS PPO 40/2200 w/HSA (launched in Jul-08)		KPCS OOA Indemnity (launched in Jun-06)	
Month of Change	6-month Rate Change	12-month Rate Change	6-month Rate Change	12-month Rate Change	6-month Rate Change	12-month Rate Change	6-month Rate Change	12-month Rate Change	6-month Rate Change	12-month Rate Change
Jul-06					6.2%				6.2%	
Jan-07					6.4%	12.9%			6.4%	12.9%
Jul-07					14.5%	21.8%			14.5%	21.8%
Jan-08					-1.9%	12.3%			3.0%	17.9%
Jul-08	5.1%				5.1%	3.1%			5.1%	8.3%
Jan-09	5.0%	10.4%	5.0%		5.0%	10.4%	5.0%		5.0%	10.4%
Jul-09	6.3%	11.6%	6.3%	11.6%	6.3%	11.6%	6.3%	11.6%	6.3%	11.6%
Jan-10	4.5%	11.0%	4.5%	11.0%	4.5%	11.0%	4.5%	11.0%	4.5%	11.0%
Jul-10	6.6%	11.4%	6.6%	11.4%	6.6%	11.4%	6.6%	11.4%	6.6%	11.4%
Jan-11	4.2%	11.0%	4.2%	11.0%	4.2%	11.1%	4.2%	11.0%	4.2%	11.0%
Jul-11	7.5%	12.0%	7.5%	12.0%	7.5%	12.0%	7.5%	12.0%	7.5%	12.0%

All plans are currently open.

KPIC SMALL GROUP PPO AND OOA BENEFIT CHANGE HISTORY

Effective Date	Benefit Changes
Jul-06	None
Jan-07	None
Jul-07	None
Jan-08	None
Jul-08	None
Jan-09	All plans: increase of the frequency limit of covered Adult Routine Physical Exams to once in 12 months with a \$400 annual benefit maximum.
Jul-09	None
Jan-10	All plans: Mental Health and Chemical Dependency benefits expanded to comply with Mental Health Parity and Addiction Equity Act of 2008 (MHPA). PPO plans: coinsurance for Emergency Care set at the same level for Participating and Non-Participating providers.
Jul-10	Coverage of medically necessary dental or orthodontic services that are an integral part of reconstructive surgery for cleft palate procedures.
Oct-10	Increase of limiting age for dependent children to age 26 regardless of student status. No cost sharing for Preventive Care Services specified by ACA on the OOA plan and Participating Provider tier of PPO plans. Maximum Benefit While Insured removed from the OOA plan and the Participating Provider tier of the PPO plans. Annual dollar maximums for Routine Physical Examinations removed on the OOA plan and on the Participating Provider tier of the PPO plans.
Jan-11	None
Jul-11	None

**KPIC SMALL GROUP
ENROLLMENT SUMMARY**

<u>Month</u>	<u>PPO</u>	<u>POS</u>	<u>Both</u>
Jan-06		2,307	2,307
Feb-06		2,276	2,276
Mar-06		2,281	2,281
Apr-06		2,315	2,315
May-06		2,328	2,328
Jun-06	18	2,407	2,425
Jul-06	34	2,358	2,392
Aug-06	45	2,383	2,428
Sep-06	66	2,416	2,482
Oct-06	98	2,438	2,536
Nov-06	136	2,533	2,669
Dec-06	286	2,643	2,929
Jan-07	353	2,674	3,027
Feb-07	361	2,662	3,023
Mar-07	354	2,652	3,006
Apr-07	373	2,660	3,033
May-07	374	2,645	3,019
Jun-07	405	2,618	3,023
Jul-07	404	2,634	3,038
Aug-07	379	2,617	2,996
Sep-07	398	2,579	2,977
Oct-07	392	2,547	2,939
Nov-07	370	2,503	2,873
Dec-07	358	2,483	2,841
Jan-08	306	2,405	2,711
Feb-08	332	2,402	2,734
Mar-08	378	2,347	2,725
Apr-08	392	2,304	2,696
May-08	437	2,266	2,703
Jun-08	459	2,206	2,665
Jul-08	489	2,101	2,590
Aug-08	509	2,028	2,537
Sep-08	492	1,988	2,480
Oct-08	519	1,918	2,437
Nov-08	575	1,879	2,454
Dec-08	560	1,798	2,358
Jan-09	606	1,725	2,331
Feb-09	617	1,667	2,284
Mar-09	650	1,641	2,291
Apr-09	680	1,596	2,276
May-09	681	1,531	2,212
Jun-09	725	1,444	2,169
Jul-09	734	1,410	2,144
Aug-09	745	1,364	2,109
Sep-09	795	1,340	2,135
Oct-09	814	1,329	2,143
Nov-09	793	1,309	2,102
Dec-09	774	1,305	2,079
Jan-10	776	1,260	2,036
Feb-10	804	1,283	2,087
Mar-10	803	1,239	2,042
Apr-10	797	1,217	2,014
May-10	800	1,183	1,983
Jun-10	815	1,162	1,977
Jul-10	801	1,136	1,937
Aug-10	789	1,142	1,931
Sep-10	805	1,109	1,914
Oct-10	800	1,091	1,891
Nov-10	821	1,063	1,884
Dec-10	856	1,051	1,907
Jan-11	859	1,023	1,882
Feb-11	878	1,006	1,884
Mar-11	947	998	1,945
Apr-11	971	980	1,951

KPIC SMALL GROUP PPO MEDICAL LOSS RATIO EXHIBIT

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Enrollment	776	804	803	797	800	815	801	789	805	800	821	856	9,667
Earned Premium	\$347,697	\$367,981	\$374,523	\$379,455	\$387,878	\$399,354	\$387,623	\$390,240	\$399,459	\$408,834	\$423,060	\$443,120	\$4,709,223
Incurred Claims	\$632,191	\$388,732	\$383,495	\$664,304	\$372,926	\$383,452	\$243,634	\$290,583	\$214,371	\$201,458	\$220,845	\$282,362	\$4,278,353
MLR (Unadjusted)	181.8%	105.6%	102.4%	175.1%	96.1%	96.0%	62.9%	74.5%	53.7%	49.3%	52.2%	63.7%	90.9%